

STATE OF MICHIGAN
DEPARTMENT OF LABOR & ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE SERVICES

Before the Commissioner of the Office of Financial and Insurance Services

In the matter of:

Valley Global Insurance Brokers, LLC

Enforcement Case No. 06-4873

Respondent
_____ /

*Issued and entered,
on November 21, 2006
by Frances K. Wallace
Chief Deputy Commissioner*

CONSENT ORDER AND STIPULATION

**I.
BACKGROUND**

1. Valley Global Insurance Brokers LLC ("Respondent"), 84 South First Street, 2nd Floor, San Jose, California, 95113, is a non-resident producer for the business of insurance in the State of Michigan. Respondent's Agent is Arthur C. Carmichael, 1585 Grant Road, Los Alto, California 94022.
2. The Office of Insurance and Financial Services (OFIS) received notice that on April 5, 2005, Respondent entered into a Consent Order with the State of Oklahoma, pursuant to the Respondent having been denied licensing in the State of Illinois.
3. The denial of Respondent's Illinois license application resulted from Respondent's submission of an altered copy of a business entity's license to an insurer. Said alteration consisted of an allegation that Respondent was licensed.
4. Respondent participated in an administrative action in Illinois relating to the above-referenced license application, during which Respondent testified that it negligently hired an employee who oversaw licensing and who altered the business entity's license without its knowledge or consent.
5. Respondent and OFIS staff have conferred and have agreed to resolve this matter according to the terms set forth below.

II.
FINDINGS OF FACT AND CONCLUSIONS OF LAW

6. Paragraphs 1 through 5 above are incorporated herein.
7. Section 1239(1)(h) of the Michigan Insurance Code allows the Commissioner to place on probation, suspend, revoke, or refuse to issue an insurance producer's license or to levy a civil fine under Section 1244 of the Michigan Insurance Code, or any combination of actions, if an insurance producer uses fraudulent, coercive, or dishonest practices or demonstrates incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere.
8. Section 1239(1)(j) of the Michigan Insurance Code allows the Commissioner to place on probation, suspend, revoke, or refuse to issue an insurance producer's license or to levy a civil fine under Section 1244 of the Michigan Insurance Code, or any combination of actions, if an insurance producer forges another's name to an insurance application or to any document related to an insurance transaction.
9. As a result of the actions detailed in paragraphs 2 through 4 above, Respondent has violated Sections 1207(1) and 1239(1)(h) and (j) as outlined above.
10. Respondent has failed to uphold these standards, as outlined above, therefore subjecting Respondent's non-resident insurance producer license to revocation by the Commissioner under Section 1244 of the Michigan Insurance Code.

III.
ORDER

It is hereby ORDERED that:

12. Respondent shall immediately cease and desist from violating Sections 1207(1), 1239(1)(h) and (j) of the Michigan Insurance Code, MCL 500.1207(1), 500.1239(1)(h) and (j).
13. Respondent's license is hereby REVOKED.

The Commissioner retains jurisdiction over the matters contained herein and has the authority to issue such further order(s) as she shall deem just, necessary and appropriate in accordance with the provisions of the Michigan Insurance Code. Failure by Respondent to abide by the terms and provisions of this Order may result in the commencement of additional proceedings.

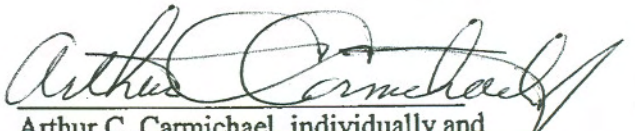
A handwritten signature in cursive script, reading "Frances K. Wallace", written in black ink.

Frances K. Wallace,
Chief Deputy Commissioner

IV.
STIPULATION

I, Arthur C. Carmichael, individually and on behalf of Valley Global Insurance Brokers, LLC, have read and understand the proposed Consent Order above. Respondent agrees that the Commissioner has jurisdiction and authority to issue this Consent Order pursuant to the Michigan Insurance Code, MCL 500.100 *et seq.* Respondent voluntarily waives the right to a hearing in this matter if this Consent Order is issued. Respondent further understands that this Stipulation and Consent Order will be presented to the Commissioner for approval and that the Commissioner may or may not issue this Consent Order. Respondent waives any objection to the Commissioner deciding this case following a hearing in the event the Consent Order is not approved. Henceforth, Valley Global Insurance Brokers, LLC represents that it will comply with the requirements of this Order and the Michigan Insurance Code, and that it agrees to the entry of this Order.

Dated: Nov. 15, 2006


Arthur C. Carmichael, individually and
on behalf of Valley Global Insurance Brokers, LLC

OFIS staff approves this Stipulation and recommends that the Commissioner issue the Consent Order above.

Dated: 11-17-06


Tracy Post
Staff Attorney